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Thailand

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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

Export prices continued to decline due to the downward pressure from the government intervention stock tender last week. Meanwhile, foreign buyers are reportedly waiting for the final result of the tender expected this week. The decline of Thai domestic prices slowed following last week's Cabinet approval to expand the current MY2008/09 second crop intervention target from 2.5 million tons to 4.0 million tons.

General Information:

Indicative Prices (Week Ending May 11):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	850	880	820	830	840	830	-	845	847
WR 100 B	550	575	540	550	540	555	500	544	547
PB 5%	545	-	540	-	530	550	520	537	538
WR 5%	520	547	530	540	520	525	490	525	526
WR 10%	505	-	525	-	-	520	-	517	508
WR 15%	480	-	520	-	-	500	-	500	488
WR 25%	430	-	500	-	-	450	-	480	438
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	295	330	325	-	330	320	-	320	324
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 34.4 baht/U.S.\$

Source: Average actual prices received from exporters

Market Tone

Despite the strengthening Thai baht, export prices declined due to downward pressure from the government intervention stock tender last week (May 6). Bidding prices for 5% grade white rice of MY2007/08 – MY2008/09 crops, which comprised approximately 80 percent of tender, were 10,700 – 15,500 baht/ton (\$311-451/MT) which were 15-40 percent lower than the market prices (TH9073). Meanwhile, foreign buyers are reportedly waiting for the final result of the tender which is expected this week. Shipments of Thai white rice over the next six months will be dominated by white rice from this stock release and leave domestic prices of current MY2008/09 second crop harvest under downward pressure as foreign buyers will focus their contracts on relatively cheaper white rice from the government stock.

The decline of Thai domestic prices presently slowed following last week's Cabinet approval to expand the current MY2008/09 second crop intervention target from 2.5 million tons to 4.0 million tons (TH9072). As of May 6, MY2008/09 second-crop intervention program has already absorbed 2.6 million tons of paddy, mostly white rice. However, domestic prices remained under downward pressure as the expanded target accounted for around 30 percent of balance of the crops. In addition, the government intervention stock will reach 3.0 – 4.0 million tons again by the end of current intervention program on July 31, despite the recent tender of 3.0 million tons.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 8	100,463	108,140	983	1,680	-41.5
Mar 15	104,942	106,008	1,088	1,869	-41.8
Mar 22	82,621	95,921	1,170	2,073	-43.6
Mar 29	86,141	93,542	1,256	2,307	-45.5
Apr 2	105,037	94,685	1,362	2,489	-45.3
Apr 12	85,157	89,739	1,447	2,657	-45.6
Apr 19	55,543	82,969	1,502	2,736	-45.1
Apr 26	144,559	97,581	1,647	2,906	-43.3
May 3	142,632	106,980	1,789	3,042	-41.2
May 10	130,197	118,240	1,920	3,178	-39.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for May 4-10, 2009 totaled 130,197 tons, down 12,436 tons from the previous week, and up 11,957 tons from the four-week moving average of 118,240 tons. Exports during Jan. 1 - May 10 totaled 1,919,641 tons, as compared with 3,178,116 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Apr. 27, 2009, amounted to 2,602,447 tons, down 33.4 percent from 3,909,911 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Apr. 20-24, Apr. 27 – May 1 (revised), and May 4-8, 2009 are as follows:

Movement (MT)	Apr. 20-24	Apr. 27 – May 1	May 4-8
Weekly sales	124,732	128,405	31,292
4 week sum	518,849	549,103	367,879
4 week mov. avg.	129,712	137,276	91,970

Total weekly sales	2,071,644	2,200,049	2,231,341
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End of Report.